

Message Text

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E.O. 11652: N/A

TAGS: ENRG, IEA

SUBJECT: REVISED PAPER ON IEI FOR DISCUSSION AT APRIL 13-14
SLT MEETING.

ADDRESSEES ARE REQUESTED TO PASS TEXT OF FOLLOWING PAPER ON
INTERNATIONAL ENERGY INSTITUTE TO HOST GOVERNMENT OFFICIALS
ATTENDING SLT MEETING NEXT WEEK. PLEASE NOTE THAT PAPER
FOCUSES ON RATIONALE FOR IEI, SCOPE AND FUNCTIONS, FINANCIAL
AND OTHER ORGANIZATIONAL ASPECTS, AND INCORPORATES COMMENTS
RECEIVED FROM IEA GOVERNMENTS. OECD PARIS REQUESTED PASS
TEXT TO SECRETARIAT (KELLY).

QUOTE. REVISED PAPER SUBMITTED BY US DELEGATION ON THE
FRAMEWORK FOR ESTABLISHING AN INTERNATIONAL ENERGY INSTITUTE
THE PROBLEM:

1. THE INTERNATIONAL ENERGY CRISIS HAS HAD A PARTICULARLY
ADVERSE EFFECT ON LESS DEVELOPED COUNTRIES. THE DRAMATIC
INCREASE IN OIL IMPORT COSTS HAS SHARPLY REDUCED THEIR
FOREIGN EXCHANGE HOLDINGS AND RETARDED DEVELOPMENT EFFORTS.
THESE NATIONS HAVE FAR LESS CAPACITY AND FLEXIBILITY THAN
INDUSTRIALIZED NATIONS TO REDUCE CONSUMPTION, RESTRUCTURE
ENERGY UTILIZATION PATTERNS, AND SHIFT TO ALTERNATIVE
SOURCES.

2. ALTHOUGH THE LDC SETTING DIFFERS IN MANY RESPECTS FROM
THAT ASSOCIATED WITH INDUSTRIALIZED NATIONS, THERE EXISTS
SIGNIFICANT POTENTIAL FOR ENERGY-RELATED ASSISTANCE TO
DEVELOPING COUNTRIES.

3. A LARGE NUMBER OF PROGRAMS ALREADY EXIST IN A WIDE
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VARIETY OF INTERNATIONAL ORGANIZATIONS WHICH ADDRESS AS-
PECTS OF THE ENERGY PROBLEM. HOWEVER, THESE PROGRAMS ARE
FRAGMENTED AND LACK A CONSISTENT FOCUS. THEY DO NOT OFFER
A COHERENT APPROACH TO LDC ENERGY PROBLEMS AND DO NOT
PROVIDE THE NEEDED IMPETUS GIVEN THE SERIOUSNESS OF LDC
ENERGY PROBLEMS. THE PURPOSE OF THE US PROPOSAL FOR THE
CREATION OF AN IEI IS TO PROVIDE A SINGLE FOCUS FOR INTER-
NATIONAL COOPERATIVE EFFORTS TO EXPAND AND SUPPLEMENT
ASSISTANCE TO LDCS IN THE ENERGY AREA.

4. THE PROPOSED STRATEGY OF EXPANDING INTERNATIONAL
ENERGY COOPERATION WITH LDCS, WHICH INCLUDES THE IEI AS A

MAJOR ELEMENT, SEEKS TO:

-- HELP NON-OIL LDCS SOLVE THEIR ENERGY PROBLEMS;

-- GIVE CREDENCE TO STATEMENTS OF INDUSTRIALIZED COUNTRIES OF CONCERN FOR THE LDC ENERGY PLIGHT AND OUR DESIRE TO HELP THEM;

-- UNDERSCORES THE DESIRABILITY OF COOPERATION BETWEEN THE INDUSTRIALIZED COUNTRIES WITH THEIR ADVANCED TECHNOLOGY POSITION AND THE DEVELOPING WORLD.

-- BE OF HELP IN CREATING OVER TIME A MORE BALANCED WORLD ENERGY MARKET.

5. WHILE SUPPORT BY THE INDUSTRIALIZED NATIONS IS ESSENTIAL, IT SHOULD BE EMPHASIZED THAT THE IEI MUST ALSO GAIN THE SUPPORT OF OIL-POOR LDCS AND ENSURE THAT THESE COUNTRIES PARTICIPATE FULLY IN THE FORMULATION AND OPERATION OF THE INSTITUTE. CLOSE INVOLVEMENT BY LESS DEVELOPED NATIONS IS NEEDED TO MAKE THE INSTITUTE RESPONSIVE TO REAL PROBLEMS AND A CREDIBLE SOURCE OF ASSISTANCE. IT IS ALSO IMPORTANT TO GAIN THE SUPPORT OF OIL-PRODUCING STATES IN ORDER TO MAKE THIS A TRULY JOINT EFFORT BY ALL PARTIES WHOSE INTERESTS ARE INVOLVED IN THE CURRENT ENERGY SITUATIONS.

6. IN EVOLVING THE IEI CONCEPT, CAREFUL CONSIDERATION MUST BE GIVEN TO ITS RELATIONSHIP WITH EXISTING ACTIVITIES
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IN THIS FIELD TO AVOID UNNECESSARY DUPLICATION AND COMPETITION. FURTHERMORE, WE MUST TAKE INTO ACCOUNT THE UN

SPECIAL SESSION RESOLUTION CALLING FOR THE SECRETARY GENERAL TO STUDY THE POSSIBILITY OF ESTABLISHING AN INTERNATIONAL ENERGY INSTITUTE "WITHIN THE FRAMEWORK OF THE UN SYSTEM."

SCOPE AND FUNCTIONS:

7. THE GENERAL PURPOSE OF THE INSTITUTE IS TO PROVIDE AT THE REQUEST OF THE COUNTRIES CONCERNED A FRAMEWORK FOR ASSISTING LDCS IN COPING WITH THEIR ENERGY-RELATED PROBLEMS. WHILE THERE NOW EXISTS A WIDE-RANGING SET OF ACTIVITIES THAT HAVE SOME BEARING ON LDC ENERGY PROBLEMS, THESE LACK THE FOCUS, THE SYSTEMATIC PLANNING, THE COORDINATION AND THE COHERENCE TO MAKE LDC ENERGY-RELATED ASSISTANCE FULLY EFFECTIVE.

8. THE WORK OF THE INTERNATIONAL ENERGY INSTITUTE WOULD

BUILD ON THE BASE OF ON-GOING EFFORTS IN THIS FIELD AND PROCEED TO GUIDE ASSISTANCE FOR THOSE AREAS WHERE WORK IS INADEQUATE OR NOT BEING ATTEMPTED AT ALL. THE IEI WOULD PLAY A COORDINATING, CATALYTIC, AND CONSULTATIVE ROLE, WORKING CLOSELY WITH APPROPRIATE GOVERNMENTAL AGENCIES, INTERNATIONAL ORGANIZATIONS, AND PUBLIC AS WELL AS PRIVATE INSTITUTIONS. IT WOULD NOT BE DESIGNED TO HELP LDCS PURCHASE OIL OR TO FINANCE COMMERCIAL ENERGY SYSTEMS.

9. IEI PROGRAM ACTIVITIES WOULD BE CONCENTRATED IN FOUR AREAS:

1. EVALUATING LDC ENERGY POSITIONS AND STRATEGIES, BOTH FOR INDIVIDUAL NATIONS OR REGIONAL GROUPINGS FACING COMMON PROBLEMS.

2. ARRANGING FOR TRAINING OF LDC ENERGY OFFICIALS AND EXPERTS, ENCOMPASSING TECHNICAL, OPERATIONAL, AND MANAGERIAL ELEMENTS.

3. FACILITATING THE DISCOVERY AND DEVELOPMENT OF ALL TYPES LIMITED OFFICIAL USE
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OF INDIGENOUS ENERGY RESOURCES IN LDCS.

4. EASING THE TRANSFER OF EXISTING ENERGY TECHNOLOGY TO LDCS AND HELPING TO DEVELOP NEW ENERGY TECHNOLOGIES SUITABLE TO LDC NEEDS.

IN ADDITION, THE IEI COULD PROVIDE A CENTRAL POINT FOR CO-ORDINATION OF ENERGY-RELATED ASSISTANCE TO LDCS.

EVALUATING LDC ENERGY POSITIONS

10. THE IEI COULD PROVIDE ASSISTANCE IN THE EVALUATION OF ENERGY SYSTEMS IN LDC SETTINGS. THESE EVALUATIONS WOULD INVOLVE IDENTIFICATION OF ENERGY RESOURCES, PRODUCTION, DISTRIBUTION, AND CONSUMPTION PATTERNS WITHIN THE BROADER FRAMEWORK OF LDC ECONOMIC DEVELOPMENT PROGRAMS. CONDITIONS UNIQUE TO THE LDC SITUATION WOULD RECEIVE SPECIAL ATTENTION, NOTABLY THE HEAVY RELIANCE IN MANY COUNTRIES ON NON-COMMERCIAL SOURCES OF ENERGY (E.G., FIREWOOD).

11. THE PURPOSE OF THESE EVALUATIONS WOULD BE TO IDENTIFY ALTERNATIVES THAT CAN HELP LDCS IN PLANNING THEIR ENERGY PROGRAMS AND IN IMPROVING THE EFFICIENCY OF THEIR EXISTING ENERGY SYSTEMS. SINCE LDCS DIFFER WIDELY BOTH IN THEIR PROBLEMS AND IN POTENTIALLY VIABLE SOLUTIONS, THERE WOULD BE AN ATTEMPT TO IDENTIFY PROGRAMS OR PROJECTS, E.G. TRAINING PROGRAMS FOR GROUPS OF COUNTRIES THAT ARE COMPA-

RABLE IN TERMS OF LEVEL OF INDUSTRIALIZATION, AVAILABLE ENERGY RESOURCES, CLIMATE AND LOCATION, AND OTHER APPROPRIATE CRITERIA. WHILE EMPHASIZING OIL-POOR LDCS, THESE ANALYSES WOULD BE HELPFUL IN THE CASE OF OIL-PRODUCING STATES AS WELL.

12. THE IEI COULD PERFORM THIS FUNCTION THROUGH ASSISTANCE IN:

-- WORKING WITH LDCS TO COLLECT BASIC DATA ON ENERGY ON WHICH THE EVALUATIONS MUST RELY.

-- CONTRACTING AS NECESSARY WITH OUTSIDE ORGANIZATIONS TO
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PERFORM THE EVALUATIONS.

-- IDENTIFYING FOR THE USE OF LDCS THE RANGE OF OPTIONS FLOWING OUT OF THESE EVALUATIONS.

ENERGY-RELATED TRAINING:

13. AS ONE OF ITS MOST ESSENTIAL CONTRIBUTIONS, THE IEI CAN SERVE AS A SPONSOR AND SOURCE OF EXPERTISE IN FORMULATING AND ARRANGING TRAINING PROGRAMS FOR LDC TECHNICIANS, ADMINISTRATORS, AND POLICY MAKERS CONCERNED WITH ENERGY PROBLEMS. THIS ACTIVITY WOULD OFFER TO LDCS THE OPPORTUNITY FOR IMPROVED UNDERSTANDING OF THE TECHNOLOGIES AS WELL AS THE OPERATIONAL TASKS AND MANAGERIAL ISSUES NECESSARY FOR AN EFFECTIVE ENERGY PROGRAM.

14. ENERGY TRAINING PROGRAMS WOULD COVER A RANGE OF TOPICS INCLUDING: (A) BASIC ENERGY PLANNING AND EVALUATION TECHNIQUES; (B) DEVELOPMENT AND UTILIZATION OF EXISTING ENERGY RESOURCES; AND (B) ASSESSMENT, INSTALLATION, AND OPERATION OF NEW ENERGY TECHNOLOGIES.

15. THE IEI COULD STRUCTURE ITS ENERGY TRAINING PROGRAM TO INCORPORATE THE FOLLOWING SPECIFIC FUNCTIONS:

-- IDENTIFYING PARTICULAR NEEDS FOR ENERGY TRAINING AND SEEKING TO INDUCE APPROPRIATE INTERNATIONAL AGENCIES, OR APPROPRIATE GOVERNMENTAL OR PRIVATE ORGANIZATIONS IN INDIVIDUAL STATES TO OFFER APPROPRIATE PROGRAMS.

-- ARRANGING FOR INDIVIDUAL OR SMALL TEAMS OF EXPERTS TO BE MADE AVAILABLE TO PARTICULAR COUNTRIES OR REGIONAL GROUPS FOR A LIMITED PERIOD OF TIME AS A MEANS OF HELPING ESTABLISH LOCAL EXPERTISE.

--PROVIDING LDCS ACCESS TO SELECTIVE CONSULTING SERVICES

FOR SPECIFIC PROJECT-RELATED ASSISTANCE, WORKING WITH
INTERNATIONAL AGENCIES OR PUBLIC AND PRIVATE INSTITUTIONS.

FACILITATING DISCOVERY AND DEVELOPMENT OF INDIGENOUS
ENERGY RESOURCES:
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16. THE DEVELOPMENT OF ADEQUATE INDIGENOUS ENERGY RE-
SOURCES WOULD BE THE MOST DIRECT METHOD OF IMPROVING THE
LDC ENERGY POSITION. GLOBAL NEEDS WOULD ALSO BE SERVED BY
INCREASING THE AVAILABLE WORLD-WIDE POOL OF ENERGY.

17. EXPLORATION FOR AND DEVELOPMENT OF ENERGY RESOURCES
IS IN MANY WAYS DISTINCT FROM ANALOGOUS EFFORTS RELATED
TO OTHER COMMODITIES. HIGHLY SOPHISTICATED EXPLORATION
TECHNOLOGY, EXPENSIVE DEEP DRILLING TECHNIQUES, AND OTHER
ADVANCED COMPLEX AND COSTLY EFFORTS ARE REQUIRED. MORE-
OVER, THE PRIVATE SECTOR HAS TRADITIONALLY ASSUMED THE
PRINCIPAL RESPONSIBILITY FOR THESE TYPES OF ACTIVITIES AND
WOULD BE EXPECTED TO CONTINUE THIS ROLE EITHER DIRECTLY OR
THROUGH CONTRACTS.

18. AGAINST THIS BACKGROUND, THE IEI COULD BEST PROVIDE
MOMENTUM IN THE FIELD OF LDC ENERGY RESOURCE ACTIVITY BY:

-- ESTABLISHING A POOL OF SPECIALISTS IN ENERGY RESOURCE
EXPLORATION AND DEVELOPMENT AND WHO WOULD BE WILLING TO
TAKE ON SHORT TERM ASSIGNMENTS TO ASSIST LDCS IN PLANNING
THEIR OWN ENERGY RESOURCE EXPLORATION AND DEVELOPMENT
PROGRAMS. NATIONAL AGENCIES AND INTERNATIONAL ORGANIZA--
TIONS WOULD BE ASKED TO SUPPLY EXPERTS. INDUSTRY WOULD

BE SOLICITED TO CONTRIBUTE AS A WAY OF DEMONSTRATING ITS
COMMITMENT TO HELP.

-- IDENTIFYING AND EVALUATING THE TYPES OF INCENTIVES
THAT COULD LEAD TO GREATER PRIVATE EXPLORATION EFFORTS.

DEVELOPMENT AND APPLICATION OF ENERGY TECHNOLOGIES:

19. CERTAIN ALTERNATIVE ENERGY TECHNOLOGIES (E.G., SOLAR,
BIOCONVERSION, AND WINDPOWER) MAY BE PARTICULARLY APPRO-
PRIATE FOR CERTAIN GROUPS OF LDCS THAT ARE IN GEOGRAPHI-
CALLY FAVORABLE LOCATIONS AND ARE CHARACTERIZED BY DE-
CENTRALIZED ENERGY DISTRIBUTION SYSTEMS. LDCS COULD ALSO
PROFIT FROM "SPIN-OFF" APPLICATIONS OF MODIFICATIONS OF
TECHNOLOGY DESIGNED FOR INDUSTRIALIZED COUNTRY MARKETS.
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20. WITHOUT UNDERTAKING BASIC RESEARCH OR MOUNTING MAJOR DEVELOPMENT PROGRAMS, THE INSTITUTE COULD ACT AS A TRANSFER AND COORDINATING MEDIUM THROUGH WHICH EXISTING TECHNOLOGIES, OR THOSE UNDER DEVELOPMENT, COULD BE ASSESSED FOR APPLICATION IN THE LDC IN EXISTING OR ADAPTED FORM.

21. TWO SPECIFIC TECHNOLOGY PROGRAMS COULD BE UNDERTAKEN:

(A) SCREENING OF AVAILABLE TECHNOLOGY -- THE ABILITY TO APPLY OFF-THE-SHELF TECHNOLOGY IN A SHORT TIME FRAME TO MEET LDC ENERGY NEEDS MAKES THE IDENTIFICATION AND UTILIZATION OF THESE TECHNOLOGIES A MATTER OF PRIORITY. IN THIS CONNECTION, THE IEI COULD:

-- REVIEW AND ASSESS EXISTING CONVENTIONAL AS WELL AS EXOTIC TECHNOLOGIES TO DETERMINE WHICH MIGHT LEND THEMSELVES TO LDC NEEDS WITHOUT SUBSTANTIAL MODIFICATION.

-- IDENTIFY THE SOCIO-ECONOMIC INFRASTRUCTURE ON WHICH THE TECHNOLOGIES MUST RELY IN ORDER TO BE SUCCESSFUL.

-- FACILITATE, THROUGH INFORMATION AND MARKET PROGRAMS, THE TRANSFER OF THE TECHNOLOGY ITSELF AS WELL AS ASSOCIATED KNOW-HOW.

WHILE GOVERNMENTS HAVE AN IMPORTANT ROLE TO PLAY, THESE STEPS AND THE ASSOCIATED TECHNOLOGY ADAPTION DESCRIBED BELOW WILL REQUIRE SUBSTANTIAL INDUSTRY INVOLVEMENT, SINCE THE BULK OF TECHNOLOGIES WITH NEAR-TERM APPLICATION REST WITH PRIVATE INDUSTRY.

(B TECHNOLOGY DEVELOPMENT, ADAPTION, AND APPLICATION:
MOST ENERGY R&D CURRENTLY UNDERWAY ON BOTH CONVENTIONAL AND NON-CONVENTIONAL SOURCES, AS WELL AS MOST COMMERCIALY AVAILABLE TECHNOLOGY, ARE DESIGNED FOR THE NEEDS OF LARGE INDUSTRIALIZED COUNTRIES WITH CENTRALIZED ENERGY DISTRIBUTION SYSTEMS. A SPECIAL EFFORT WOULD BE NECESSARY TO ADAPT TECHNOLOGIES TO THE DIFFERENT REQUIREMENTS AND CHARACTERISTICS OF ENERGY SYSTEMS IN THE LDCS. TO THIS END, THE IEI, USING EXISTING CAPABILITIES OF BOTH DEVELOPED LIMITED OFFICIAL USE
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AND DEVELOPING COUNTRIES, COULD:

-- DRAW ON ENGINEERING COMPETENCE IN INDUSTRY, TECHNICAL ORGANIZATIONS, AND GOVERNMENTS TO STUDY THE FEASIBILITY OF ADAPTING PROMISING TECHNOLOGIES TO MEET THE PARTICULAR REQUIREMENTS OF LDCS BOTH SINGLY AND AS A GROUP.

-- ENCOURAGE DEMONSTRATION AND PILOT PROJECTS TO TEST THE

APPLICABILITY OF NEW TECHNOLOGIES.

-- ASSIST IN PROVIDING MARKETING STUDIES NECESSARY TO INTEREST MANUFACTURERS (BOTH IN INDUSTRIALIZED STATES AND IN DEVELOPING COUNTRIES THEMSELVES) IN DESIGNING FOR AND SUPPLYING THE NEEDS OF THE LDCS.

-- ENCOURAGE THE MANUFACTURE AND DISTRIBUTION OF APPROPRIATE TECHNOLOGIES AS WELL AS TRAINING IN THEIR USE, WITHOUT ITSELF SUPPLYING THE FINANCING.

ORGANIZATIONAL ISSUES:

22. ADMINISTRATION: THE INSTITUTE COULD HAVE A ROTATING BOARD OF GOVERNORS, DIVIDED AMONG INDUSTRIALIZED NATIONS, NON-OIL LDCS, AND THE OIL-EXPORTING NATIONS. OVERALL POLICY WOULD BE ESTABLISHED BY THE BOARD. IN ADDITION, THERE WOULD BE A DIRECTOR, A SMALL PERMANENT PROFESSIONAL STAFF, AND AN ADMINISTRATIVE STAFF. THE RATIOS AND SELECTION CRITERIA FOR THE GOVERNING BOARD, DIRECTOR, AND STAFF WOULD BE NEGOTIATED AMONG INTERESTED PARTIES. TO HELP ENSURE THAT THE IEI WILL COMPLEMENT AND REINFORCE ON-GOING NATIONAL AND INTERNATIONAL EFFORTS AND REMAIN RESPONSIVE TO PRACTICAL ENERGY NEEDS, A CONSULTATIVE COMMITTEE COMPOSED OF INDIVIDUALS FROM OTHER APPROPRIATE INTERNATIONAL, REGIONAL, AND NATIONAL INSTITUTES, INCLUDING PRIVATE INDUSTRY, COULD BE ESTABLISHED TO ADVISE THE DIRECTOR.

23. STAFFING: THE IEI WOULD SEEK TO ATTRACT A FIRST-RATE STAFF OF PROFESSIONALS COVERING KEY ENERGY FIELDS, INCLUDING DEVELOPMENTAL ECONOMISTS, RESOURCE SPECIALISTS, AND TECHNOLOGY EXPERTS. THE PROFESSIONAL STAFF SHOULD BE LIMITED OFFICIAL USE
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DRAWN FROM DEVELOPING COUNTRIES AS WELL AS INDUSTRIALIZED STATES, AND COULD INCLUDE SOME PERSONNEL ON ASSIGNMENT FROM INTERNATIONAL RESEARCH ORGANIZATIONS AND PRIVATE COMPANIES. IEI STAFFING COULD BEGIN WITH A RELATIVELY SMALL GROUP AND GROW WITHIN A FEW YEARS AS JUSTIFIED BY ITS WORK AND FINANCIAL SUPPORT. ARRANGEMENTS COULD BE MADE FOR THE IEI TO HIRE CONSULTANTS FOR A LIMITED PERIOD AS WELL.

24. LOCATION: THE IEI SHOULD BE SITED WITH A VIEW TOWARD RECRUITING AND RETAINING A COMPETENT STAFF AND MAINTAINING CLOSE OPERATIONAL LINKS WITH OTHER RESEARCH AND ASSISTANCE INSTITUTIONS. WHEREVER LOCATED, THE IEI WOULD NEED TO MAINTAIN CLOSE TIES TO REGIONAL ENERGY SITUATIONS AND ORGANIZATIONS. THE FORMALITY OF SUCH REGIONAL LINKS WOULD DEPEND ON THE ULTIMATE INSTITUTIONAL CHARACTER OF

THE IEI ITSELF.

25. FINANCING: THE LEVEL OF FUNDING WILL REFLECT THE SCOPE AND FUNCTIONS OF THE IEL.

26. THE INITIAL SCOPE OF THE INSTITUTE'S ACTIVITIES WOULD BE AT A RELATIVELY RESTRICTED LEVEL, REQUIRING ONLY LIMITED FUNDING. ONCE THE ORGANIZATIONAL AND PROGRAMMATIC STRUCTURE OF THE IEI BECOMES CLEAR, MODIFICATION OF FINANCING CAN BE CONSIDERED IN LIGHT OF THE EVOLVING ROLE FOR THE IEI. THE INITIAL BASIC EXPENSES OF THE IEI WILL INCLUDE A SMALL, HIGHLY SELECT PERMANENT STAFF OF ENERGY EXPERTS, A MINIMAL ADMINISTRATIVE SUPPORT STAFF AND PROGRAM STAFF FOR CONTRACT WORK. ASSUMING A PROFESSIONAL STAFF OF 15 PEOPLE, COSTS WOULD BE ON THE ORDER OF \$2 MILLION FOR PERSONNEL AND ADMINISTRATIVE SUPPORT WITH PERHAPS TWICE THAT AMOUNT DEVOTED TO PROGRAM COSTS FOR A TOTAL OF \$6 MILLION ANNUALLY. TO ENSURE ORDERLY DEVELOPMENT OF THE INSTITUTE AND EXECUTION OF PROGRAMS, FINANCING SHOULD BE ACQUIRED ON A THREE YEAR RENEWABLE BASIS.

27. THE INITIAL FINANCIAL SUPPORT CAN BE STRUCTURED IN A NUMBER OF WAYS BUT WILL REFLECT THE FINAL ORGANIZATIONAL CONTEXT OF THE IEL. THE FOLLOWING OPTIONS REFLECT THE US VIEW THAT THE IEI SHOULD BE AUTONOMOUSLY BUDGETED.

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-- DEVELOPED COUNTRIES AND OIL EXPORTING COUNTRIES COULD SHARE THE FINANCIAL BURDEN, WITH LDCS CALLED UPON TO PROVIDE CERTAIN LOGISTIC SUPPORT FOR SPECIFIC COUNTRY EFFORTS.

-- THE BUDGET SUPPORT COULD BE DIVIDED AMONGST THE INDUSTRIALIZED, OIL PRODUCING, AND NON-OIL PRODUCING LDCS.

-- BUDGETARY SUPPORT MIGHT COME FROM ALL COUNTRY PARTICIPANTS PLUS INTERNATIONAL ORGANIZATIONS (INCLUDING FINANCIAL INSTITUTIONS) AND REGIONAL BANKS INTERESTED IN THE IEI CONCEPTS.

-- SOME PROGRAM SUPPORT, E.G. FOR TRAINING, MIGHT COME FROM THE PRIVATE SECTOR.

-- COUNTRIES OR OTHER CONTRIBUTORS MAY WISH TO MAKE CONTRIBUTIONS IN THE FORM OF TECHNICAL PERSONNEL OR OTHER SERVICES.

-- PARTICIPANTS IN THE INSTITUTE COULD CONTRIBUTE TO ITS FUNDING THROUGH AN ASSESSED BUDGET AND THERE COULD BE A SEPARATE FUND TO FINANCE PROGRAM ACTIVITIES THROUGH VOLUNTARY CONTRIBUTIONS.

28. IEI PROGRAMS MIGHT WELL EXTEND BEYOND THIS INITIAL CORE ACTIVITY AT SOME POINT IN TIME BUT THE US ENVISAGES SUCH FUTURE EXPANSION IN THE CONTEXT OF FUNDING FROM OTHER DONORS FOR SPECIFIC ENERGY RELATED PROGRAMS.

29. RELATION TO OTHER ACTIVITIES: BEFORE THE INSTITUTE IS FORMALLY ESTABLISHED, SUPPORTING NATIONS, INCLUDING INDUSTRIALIZED AND NON-INDUSTRIALIZED STATES, WOULD COLLABORATE IN THE COMPILATION OF A COMPREHENSIVE INVENTORY COVERING EXISTING AND PLANNED ACTIVITIES IN THE FOUR BASIC TASK AREAS CONTEMPLATED FOR THE IEI. THIS INVENTORY WOULD COVER BILATERAL INTERGOVERNMENTAL ASSISTANCE, ACTIVITIES SPONSORED BY INTERNATIONAL ORGANIZATIONS (INCLUDING THE FAMILY OF UN AGENCIES AS WELL AS THE WORLD AND REGIONAL BANKS), AND SIGNIFICANT EFFORTS BY PRIVATE LIMITED OFFICIAL USE LIMITED OFFICIAL USE

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ORGANIZATIONS. THE OUTCOME OF THIS SURELY WOULD ENSURE THAT THE IEI PROGRAMS AND PROCEDURES WOULD COMPLEMENT, SYSTEMATIZE, AND AMPLIFY ON-GOING ACTIVITIES. UNQUOTE. SISCO

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